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Hill told Casey ignored plea to shun Ghorbanifar, Secord

By Mary Belcher
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CIA Director William Casey ignored his top undercover expert's advice by agreeing to use Manucher Ghorbanifar and retired Air Force Maj. Gen. Richard Secord in the Iran initiative, according to congressional testimony released yesterday.

Clair George, deputy director of CIA operations since 1984, also told the Iran-Contra investigative committee the late CIA director "never would have approved" the diversion of Iranian arms sales proceeds to the Nicaraguan resistance, disputing claims made by Lt. Col. Oliver North.

He said Mr. Casey, who died in May, denied any knowledge of a possible diversion when the topic was raised at an agency meeting last Nov. 20 — two days before Justice Department investigators found a memo outlining the funding scheme in Col. North's White House office.

"Someone said . . . 'Bill, there is a discussion of a diversion of Iran funds,'" Mr. George said, recalling only sketchy details of the Nov. 20 meeting at CIA headquarters. "Bill

Casey replied, 'I know absolutely nothing about that.' "

In closed-door testimony Aug. 5 and 6, Mr. George admitted the White House "never dealt us [the CIA] a whole deck" when a plan to sell U.S. arms to Iran got under way in the summer of 1985.

He said he played "the fool" in warning CIA agents away from Mr. Ghorbanifar, unaware the Iranian arms broker — who had repeatedly failed agency lie-detector tests — already was involved in U.S.-Israeli efforts to free American hostages in Beirut.

Mr. George became aware of Mr. Ghorbanifar's role in the Iran initiative in December 1985, after several Israeli shipments of U.S. arms to Iran had been made. But Mr. Casey rejected Mr. George's argument that the arms broker was a liar, saying Mr. Ghorbanifar appeared to have "valuable terrorist information."

"Terrorist information you cannot dismiss no matter how foolish it looks," Mr. George said. "You have got to take terrorist information seriously even though you think who told you is crazy."

Mr. Casey subsequently designated Charles Allen, CIA national intelligence officer, to oversee the Iran initiative for the agency.

"Bill Casey never pushed Ghorbanifar with me," Mr. George said. "When I went in and made my strong plea for breaking off with Mr. Ghorbanifar, Bill Casey moved the operation from myself to someone else."

Mr. George became distressed again in January 1986 to learn that Gen. Secord, a private entrepreneur, was a key player in the Iran arms deals.

Mr. George said he advised Mr. Casey, "If they are going to do this, if they are going to ship arms to Iran for hostages, and that is a complicated moral question, don't use Secord."

But Mr. Casey again ignored Mr. George's advice, allowing Gen. Secord to become the chief private entrepreneur for the Iran initiative.

Mr. George said U.S. efforts to free American hostages were a sordid affair. He said he concluded that a 1985 Drug Enforcement Administration hostage-rescue plan was a "scam" that involved paying a \$2 million "ransom."

"I can't say, 'Stop,' to the National Security Council if they are going to go out and run an operation without my knowledge, and that is what happened with the DEA operation," he said. "They decided that my judgment was incorrect and that my decision that it was a scam was wrong and that they were going to run it anyway, and they ran it anyway."

Mr. George was among a handful of top-level CIA officials who said they learned after the fact that CIA agents helped coordinate a November 1985 Israeli shipment of U.S. weapons to Iran. Col. North enlisted CIA assistance when the flight hit a landing-rights snag in Portugal.

The Iran-Contra committee has recovered a flurry of trans-Atlantic cables documenting the flight problem. But two apparently are missing.

Mr. George, a 32-year CIA veteran, said documents rarely slip into the void. He said only Mr. Casey or the president would have had the authority to destroy cable traffic.

He said he did not know whether any cables actually were missing.

Mr. George acknowledged he misled the House Intelligence Committee last Oct. 14 when he denied any CIA involvement in the private supply flight carrying Eugene Hasenfus that was shot down in Nicaragua.

Apologizing for his previous testimony, he said, "I was almost megalomaniacal in trying to prove one thing — that we [the CIA] were not involved in that activity, because it would have been illegal."

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